FINANCIAL ATTITUDE ON FINANCIAL MANAGEMENT BEHAVIOR WITH FINANCIAL INCLUSION AS A MEDIATING VARIABLE AMONG GENERATION Z IN RIAU

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Abstract: This study aims to analyze the influence of financial attitude on financial management behavior, with financial inclusion serving as a mediating variable among Generation Z in Riau. The research sample consisted of 150 randomly selected respondents. Data were collected using a questionnaire designed to measure financial attitude, financial management behavior, and the level of financial inclusion. Data analysis was conducted using Smart PLS to test the relationships between variables. The research results show that financial attitudes have a significant positive effect on financial inclusion. Financial inclusion has no effect on financial management behavior, nor does financial attitude have an effect on financial management behavior either directly or through mediation. where, financial inclusion is not proven to play a mediating role in the relationship between financial attitudes and financial management behavior. These findings provide important insights for the development of financial education programs for Generation Z and underscore the need to improve financial attitudes in the face of today's fast financial access which is then expected to have an impact on financial management behavior.

Keywords: financial attitude, financial inclusion, financial management skills

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1. Introduction

Effective financial management is an important skill that individuals must have, especially for the younger generation who are entering the world of work and financial responsibility. In the current digital era, generation Z is a generation that is very connected to technology and information. They have greater access to financial services and information than previous generations. However, despite better access, many of them still face challenges in effective financial management. According to Pankow (2003) in Humaira (2017) Financial attitudes, which include an individual's views, behavior and habits towards money and its management, play an important role in a person's ability to manage finances. A positive attitude towards finances can encourage individuals to make wiser decisions in spending, saving and investing. On the other hand, a negative attitude can lead to poor financial behavior, such as overspending and lack of financial planning. In research Wardani & Fitrayati, (2022) found that financial attitudes which include awareness of the importance of investment and controlling expenses have a significant effect on the financial management abilities of students in Indonesia. Similar to research conducted by Ramadhani et al., (2023) towards the millennial generation and found that financial attitudes such as daily budget management and investment awareness had a direct impact on their ability to manage finances.

On the other hand, financial inclusion, which refers to access and appropriate use of financial services, is also an important factor in financial management. With increasing financial inclusion, individuals including generation Z can more easily access financial products and services that can help them with financial planning and management. Financial inclusion not only increases access, but also has the potential to increase individuals' financial understanding and knowledge, which can have a positive impact on their financial attitudes and behavior. As explained by Ozili, (2018) in his research on financial inclusion in developing countries shows that increasing access to formal financial services, such as banking, credit, and insurance, can help individuals better manage their personal finances. Financial inclusion provides opportunities for people to take advantage of financial products and services that encourage more effective financial management, especially in controlling expenses and planning for the future. Similar to Ahmed et al., (2020) found that financial inclusion has a significant impact on the financial management capabilities of rural communities in Pakistan. This research shows that with access to banking and microcredit services, individuals in rural areas become more skilled at planning expenses and reducing financial risks, which in turn increases personal financial stability.

However, there are different cases when the financial access is online loans which are very popular nowadays. As explained in the research Wijayanti, (2022) the impact of online loans in Indonesia and found that many users take advantage of online loans without fully understanding the consequences of high interest fees and late fees. Excessive use of these lending services often has a negative impact on users' long-term financial health, as they become trapped in a cycle of debt that is difficult to break. Similar to that described by Hutami et al. (2022) researched financial literacy among online loan users in Southeast Asia and found that financial inclusion that is not accompanied by adequate financial literacy actually has the potential to worsen individual financial management. And Nuraini & Zaky, (2023) also identified that on online loan platforms, the existence of easily accessible flash loans is often taken advantage of by individuals with urgent needs without careful consideration. This risks causing users to accumulate debt with high interest rates, which ultimately damages their financial stability and reduces their ability to manage their finances well.

These research gaps make the author interested in conducting further and in-depth research on the financial management abilities of the current generation Z. The aim is to determine and analyze the influence of financial attitudes on financial management abilities with financial inclusion as a mediating variable.

2. Literature Review

Financial attitude

Financial attitude is a state of mind, as well as an assessment of personal finances that is applied to attitude. Financial attitude is also defined as the application of financial principles to create and maintain value through appropriate decision making and resource management (Humaira, 2017)**.** financial attitude is a person's condition, opinion or assessment of money, namely money as a source of power and freedom, achievement, or a source of evil that is applied or applied to attitudes (Yulianti & Silvy, 2013)**.** *Financial attitudes can shape people's ways of spending, saving, hoarding and disposing of money.*

Financial Inclusion

Inclusion is providing financial services such as savings, credit, insurance and payments at a price level that all economic actors can afford, especially low-income economic actors. (Ozili, 2018). According to Pratiwi et al., (2023) inclusive finance as all efforts aimed at eliminating all forms of price and non-price barriers to people's access to utilizing financial services. Undang - Undang OJK, (2016) defines financial inclusion as the availability of access to various institutions, products and financial services in accordance with community needs and capabilities in order to improve community welfare. Indicators that can be used as a measure of a country's financial inclusion are availability to measure the ability to use formal financial services in terms of physical and price affordability, use to measure the ability to actually use financial products and services (including regularity, frequency, duration of use), quality to measure whether the attributes of financial products and services meet customer needs, and also welfare to measure the impact of financial services on the level of life of service users.

Financial Management Behavior

Financial management behavior is a person's ability to organize, namely planning, budgeting, auditing, managing, controlling, searching and storing daily financial funds. (Kholilah & Iramani, 2013). According to Sari & Kautsar, (2020), Financial management behavior is one of the processes of forming a person's financial character through forming behavior in managing the individual's finances, carrying out financial planning by controlling oneself over money. Financial management behavior also studies the extent of a person's ability to make a financial plan in the form of a budget, manage the budget, control the entry and exit of money, find and save the money they have every day. (Nisa, 2020).

Research Model

This research model can be seen in the following figure:

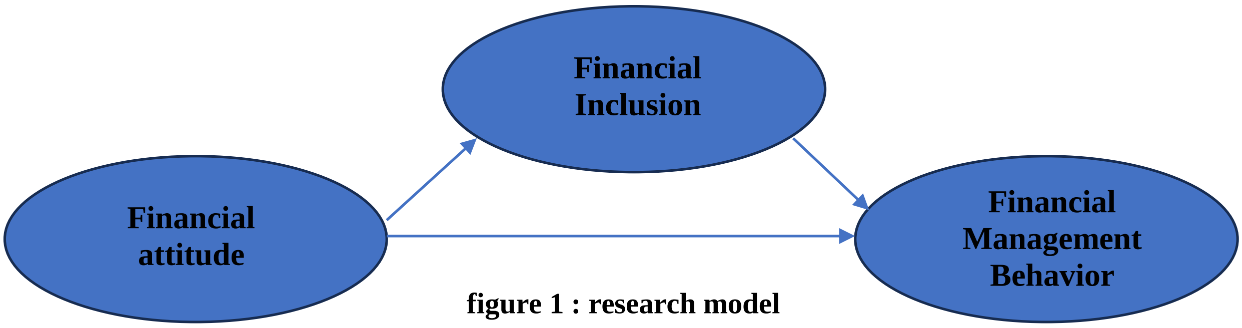

figure 1 : research model

3. Method

Research Design

The research carried out is a type of quantitative research with a causality research design. According to Anwar, (2016) Causality research design is a research design designed to examine the possibility of cause and effect between variables.

Population and Sample

Population is a generalized area consisting of objects/subjects that have certain qualities and characteristics determined by the researcher to be studied and then conclusions drawn, Sugiyono, (2014). The population in this study is Gen-z in Riau Province. Because the population size in this study is not known with certainty, the sampling technique used is non-probability sampling, namely Accidental Sampling, namely at least four times the question items created. In this study there were 15 statement items which were then multiplied by 10 so the sample used was 150.

Variable Measurement

Each variable was measured by distributing questionnaires to respondents using a 7 point Likert scale. According to Herdjiono & Damanik, (2016) The Financial Attitude variable is explained in six important indicators, namely Obsession, Strength, Effort, Lack, Saving and Security. The Financial Inclusion variable is explained based on the Organization for Economic Cooperation and Development or OECD (2016:90) There are five indicators, namely savings, payment products, insurance products, credit loans and understanding of financial products. And on the financial management behavior variable according to Dew & Xiao in Herdjiono & Damanik, (2016) Indicators can be seen from four things, namely: consumption, cash-flow management, savings and credit management.

Data Analysis

The descriptive analysis used in this research is analysis of respondent characteristics and analysis of respondent responses. Hypothesis testing uses the Partial Least Square (PLS) analysis technique. The tests carried out on the outer model are Convergent Validity, Discriminant Validity, Composite Reliability, Average Variance Extracted (AVE), Cronbach Alpha. And tests on the inner model are Path Coefficient Test, Goodness of Fit Test and Hypothesis Test.

4. Result and Discussion

Characteristics of Respondents

The characteristics of the respondents in this study are shown in Table 1

Table 1 : The characteristics of the respondents

Variable		Number of samples (n)=150	
		Quantity (n)	Quantity (%)
Gender			
	Male	55	36,7%
	Female	95	63,3%
Age			
	17-22 Year	88	58,7%
	23-27 Year	62	41,3%
Education			
	≤ SLTA	75	50%
	Diploma 3	23	15,3%
	Strata 1	52	34,7%

Source: Processed Data, 2024

Validity and Reliability Test Results

The results of testing the validity of each statement item and the reliability of each variable are shown in Table 2 below:

Table 2: Research Variable Loading Factor Value

Variable	Indicator	X1	X2	Y	Note
Financial Attitude	X1.1	**0,822**			*Valid*
	X1.2	**0,887**			*Valid*
	X1.3	**0,810**			*Valid*

Variable	Indicator	X1	X2	Y	Note
	X1.4	**0,852**			*Valid*
	X1.5	**0,886**			*Valid*
	X1.6	**0,859**			*Valid*
Financial inclusion	X2.1		**0,876**		*Valid*
	X2.2		**0,910**		*Valid*
	X2.3		**0,882**		*Valid*
	X2.4		**0,822**		*Valid*
	X2.5		**0,886**		*Valid*
Financial management behavior	Y1.1			**0,895**	*Valid*
	Y1.2			**0,818**	*Valid*
	Y1.3			**0,911**	*Valid*
	Y1.4			**0,861**	*Valid*

Source: Processed Data, 2024

Table 3: Cross Loading Values of Research Variables

Variable	Indicator	X1	X2	Y	Note
Financial Attitude	X1.1	**0,822**	0,167	-0,130	*Valid*
	X1.2	**0,887**	0,169	-0,052	*Valid*
	X1.3	**0,810**	0,142	0,028	*Valid*
	X1.4	**0,852**	0,091	-0,057	*Valid*
	X1.5	**0,886**	0,163	-0,071	*Valid*
	X1.6	**0,859**	0,115	-0,140	*Valid*
Financial inclusion	X2.1	0,201	**0,876**	0,146	*Valid*
	X2.2	0,126	**0,910**	0,005	*Valid*
	X2.3	0,102	**0,882**	0,032	*Valid*
	X2.4	0,147	**0,822**	-0,029	*Valid*
	X2.5	0,111	**0,886**	0,005	*Valid*
Financial management behavior	Y1.1	-0,052	-0,008	**0,595**	*Valid*
	Y1.2	-0,090	-0,069	**0,818**	*Valid*
	Y1.3	-0,112	0,053	**0,911**	*Valid*
	Y1.4	-0,044	0,106	**0,861**	*Valid*

Source: Processed Data, 2024

Table 4: Composite reliability and Cronbach's alpha values

Variable	*Composite Reliability*	*Cronbach's Alpha*	Note
Financial Attitude	**0,941**	**0,926**	*Reliable*
Financial inclusion	**0,943**	**0,928**	*Reliable*
Financial management behavior	**0,878**	**0,828**	*Reliable*

Source: Processed Data, 2024

Based on the results of the table above, it is known that all performance variable indicators show an outer loading value > 0.7. According to the practice followed by Imam Ghozali, an external loading value of between 0.5 – 0.6 is considered sufficient to meet the requirements for conveirgeint validity. The data above shows that there are no variable indicators whose outer loading values are below 0.7, so that all indicators are declared valid and reliable for research use and can be used for further analysis.

PLS-SEM Model Test Results

The results of the PLS Structural Equation Modeling (SEM) test in this study are shown in Figure 2 :

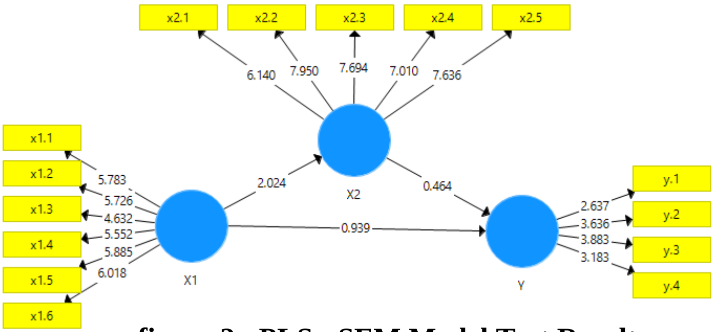

figure 2 : PLS - SEM Model Test Results

Based on the model innovation scheme shown in Figure 2 above, it can be explained that the path coefficient value of the influence of financial attitudes on financial inclusion is around 2.024. The influence of financial inclusion on financial management behavior is equal to 0.464. and the influence of financial attitudes on financial management behavior through financial inclusion is 0.939. Based on the description of these results, it shows that all the variables in this model have positive path coefficients. This shows that if there is a large influence on the path coefficient of one individual variable on the respective variable, then there is also a strong influence between the individual variables on that respective variable.

Hypothesis Test Results

The results of hypothesis testing in this study are shown in Table 5.

Tabel 5 : Hypothesis Test Results

Hipotesis	Original 'Sample (O)	Sampel Mean (M)	T Statistics (|O/STDEV|)	P Values	Note
Financial attitude > financial inclusion	0,171	0,181	2,024	**0,043**	**Accepted**
Financial attitude >financial management Behavior	-0,093	-0,091	0,788	**0,431**	**Rejected**
financial inclusion > financial management Behavior	0,076	0,044	0,464	**0,643**	**Rejected**
Financial attitude > financial inclusion > financial management Behavior	0,013	0,009	0,403	**0,687**	**Rejected**

Source: Processed Data, 2024

Discussion

The influence of financial attitude on financial inclusion

The first hypothesis is to test whether financial attitude has a positive and significant influence on financial inclusion. From the results above, Financial Attitude has a coefficient of 2.024 and a p value of <0.05 for financial inclusion. The value of the news coefficient in a positive direction and the P-value <0.05 (significant) indicate that financial attitude has a positive and significant influence on financial inclusion. **(hypothesis 1 is accepted).**

The influence of *Financial attitude* on *Financial management Behavior*

The second hypothesis examines whether financial attitude has a positive and significant influence on financial management behavior. From these results above, Financial Attitude has a coefficient of 0.788 and a p value > 0.05 for Financial Management Beihaviior. This shows that financial attitude has no influence on financial management behavior. **(hypothesis 2 is rejected).**

The influence of *Financial Inclusion* on *Financial management Behavior*

The third hypothesis is to test whether Financial Inclusion has a positive and significant influence on Financial Management Beihaviior. From these results above, Financial Inclusion has a coefficient of value equal to 0.464 and p value > 0.05 for Financial Management Beihaviior. This shows that financial inclusion has no influence on financial management behavior. **(hypothesis 3 is rejected).**

The influence of *Financial attitude* on *Financial management Behavior* through *financial inclusion*

The fourth hypothesis examines whether financial attitude has a positive and significant influence on financial management behavior through financial inclusion. From these results above, financial attitude and financial inclusion have a coefficient of 0.403 and a p value of > 0.05 for Financial Management Beihaviior. This shows that financial attitude has no influence on financial management behavior through financial inclusion. **(hypothesis 4 is rejected).**

5. Conclusions

This research answers the question of whether financial attitude has an influence on financial management behavior through financial inclusion. In addition, it also shows how financial inclusion plays a role in mediating the impact of financial attitude on financial management behavior. The statistical results of this study show that financial attitude has no influence on financial management behavior either directly or through financial inclusion media. In this case, only the Financial attitude towards Financial Inclusion has an influence, in other words, of the four policies made, only one policy is accepted and the other three are rejected.

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